

6th  
**ANNUAL REPORT**  
**2017-18**



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

# **INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

(An Initiative of NHAI)

CIN: U74140DL2012PLC246662

website:-www. ihmcl.com

Tel.:+91-11-28042710

Registered Office: NHAI HQ, Plot No. G-5&6, Sector-10, Dwarka, New Delhi-110075

Corporate Office: MTNL Building, 2nd Floor, Sector-19, Dwarka, New Delhi-110075

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## **BOARD OF DIRECTORS**

Sh. Asheesh Sharma, IAS	:	Chairman & Managing Director
Sh. Niraj Verma, IAS	:	Director
Sh. L.K. Joshi, IAS (Retd.)	:	Independent Director
Sh. V.C. Verma	:	Director
Sh. S.N. Kuda	:	Director
Sh. Shiva Rajaraman	:	Director
Sh. T.S. Venkatesan	:	Director
Sh. Dinesh Chandra Agrawal	:	Director

## **CHIEF FINANCIAL OFFICER**

SHRI RAJESH SHARMA

## **COMPANY SECRETARY**

SHRI G.B. MISHRA

## **AUDITORS**

M/s T.R. CHADHA & CO. LLP  
CHARTERED ACCOUNTANTS  
B-30, CONNAUGHT PLACE  
NEW DELHI-110001

## **REGISTERED OFFICE**

NHAI HQ, PLOT NO. G-5&6, SECTOR-10, DWARKA , NEW DELHI-110075



## Indian Highways Management Company Limited

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Corporate Office : 2nd Floor, MTNL Building, Sector-19, Dwarka, New Delhi-110075

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### NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF "INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED" will be held on Thursday, the 27<sup>th</sup> September 2018 at 4.00 P.M. at the Registered Office of the Company at NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-110075 to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri V.C. Verma (DIN-00175162) who retired by rotation.
3. To appoint a Director in place of Shri S.N. Kuda (DIN-05264050) who retired by rotation.
4. To ratify the appointment of Auditors of the Company and to fix their remuneration and for this purpose to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and pursuant to the resolution passed by the members in the Annual General Meeting held on 30th September, 2014, members of the Company hereby ratify the appointment of M/s T.R. Chadha & Co. LLP, Chartered Accountants (Firm registration No. FRN:006711N/N500028) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 7th Annual General Meeting of the Company i.e. Annual General Meeting for financial year 2018-19 at such remuneration as may be decided by the Board of Directors."

#### SPECIAL BUSINESS:

5. Regularization of Shri Dinesh Chandra Agrawal (DIN:00359519) as Director.  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

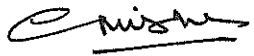
"RESOLVED THAT Shri Dinesh Chandra Agrawal (DIN:00359519) who was appointed as a Director of the Company w.e.f 20<sup>th</sup> November, 2017 u/s 161(3) of the Companies Act, 2013 by the Board of Directors and in respect of whom notice u/s 160 of the Companies Act, 2013, has been received from a shareholder proposing his candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation."

6. Regularization of Shri Niraj Verma , IAS (DIN: 00520742) as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT Shri Niraj Verma, IAS (DIN:00520742) who was appointed as a Director of the Company w.e.f 16<sup>th</sup> March, 2018 u/s 161(3) of the Companies Act, 2013 by the Board of Directors and in respect of whom notice u/s 160 of the Companies Act, 2013, has been received from a shareholder proposing his candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation.”

By the order of the Board of Directors  
For Indian Highways Management Company Limited

  
(G.B. MISHRA)  
Company Secretary  
(ACS : 28383)

Place: New Delhi  
Date: September 04, 2018

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND MUST BE IN WRITING IN THE PRESCRIBED FORM NO. MGT.11 (ATTACHED) AND IN THE MANNER AS SPECIFIED IN SECTION 105 OF THE COMPANIES ACT, 2013 AND RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBERS HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 15(3) OF THE COMPANIES (MEETING OF THE BOARD AND ITS POWERS RULES), 2014; IN RESPECT OF SPECIAL BUSINESS MENTIONED AT ITEM NO. 5 & 6 IS ANNEXED HERETO.
5. INFORMATION PURSUANT TO SECRETARIAL STANDARD II-NEAREST LAND MARK TO THE VENUE OF THE MEETING IS DWARKA SECTOR 10 METRO STATION/PINNACLE MALL. ROUTE MAP IS ENCLOSED.

**STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, READ WITH RULE 15(3) OF THE COMPANIES (MEETING OF THE BOARD AND ITS POWERS RULES), 2014.**

### **ITEM NO. 5**

#### **Information pursuant to Section 102(1)(b)**

#### **Information and facts to enable members to understand the meaning, scope and implications of the item**

Shri Dinesh Chandra Agrawal (DIN:00359519) was appointed as Director of the company u/s 161(3) of Companies Act, 2013 on 20<sup>th</sup> November,2017. Notice has been received from a shareholder proposing his candidature for the office of Director. As per the provisions of the Companies Act, matter is being placed before the members for their approval at the forthcoming annual general meeting.

The resolution, if passed by the members at the ensuing annual general meeting will result in appointment of Shri Dinesh Chandra Agrawal was Director of the Company liable to retire by rotation.

#### **Information pursuant to Section 102(1)(a)**

#### **Disclosure of interest or concern**

None of the Directors, Key Managerial Personnel or relatives of Directors and Key Managerial Personnel except Shri Dinesh chandra Agrawal himself and his relatives are interested or concerned in the resolution.

### **ITEM NO. 6**

#### **Information pursuant to Section 102(1)(b)**

#### **Information and facts to enable members to understand the meaning, scope and implications of the item**

Shri Niraj Verma (DIN: 00520742) was appointed as Director of the company u/s 161(3) of Companies Act, 2013 on 16<sup>th</sup> March, 2018. Notice has been received from a shareholder proposing his candidature for the office of Director. As per the provisions of the Companies Act, matter is being placed before the members for their approval at the forthcoming annual general meeting.

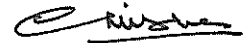
The resolution, if passed by the members at the ensuing annual general meeting will result in appointment of Shri Niraj Verma as Director of the Company liable to retire by rotation.

**Information pursuant to Section 102(1)(a)**

**Disclosure of interest or concern**

None of the Directors, Key Managerial Personnel or relatives of Directors and Key Managerial Personnel except Shri Niraj Verma himself and his relatives are interested or concerned in the resolution.

**By the order of the Board of Directors  
For Indian Highways Management Company Limited**



**(G.B. MISHRA)  
Company Secretary  
(ACS : 28383)**

Place: New Delhi  
Date: September 04, 2018

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No.

I/We, being the member (s) of ..... Equity shares of Rs. 10/- each of the above named company, hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him
2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him
3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company, to be held on the 27<sup>th</sup> day of September 2018 at 4.00 P.M. at NHAI HQ,G-5&6, Sector-10, Dwarka, New Delhi-110075 and at any adjournment thereof in respect of such resolutions as are indicated below:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri V.C. Verma (DIN-00175162) who retired by rotation.
3. To appoint a Director in place of Shri S.N. Kuda (DIN-05264050) who retired by rotation.
4. To ratify the appointment of the Statutory Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

5. Regularization of Shri Dinesh Chandra Agrawal (DIN:00359519) as Director.
6. Regularization of Shri Niraj Verma (DIN: 00520742) as Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Member(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

## **DIRECTORS' REPORT**

### **The Members,**

Your Directors are pleased to present the 6th Annual Report of your Company together with the Audited Financial Statements and the Auditors' Report for the financial year ended, 31st March, 2018.

### **Operations**

IHMCL was incorporated on 26th December, 2012 with equity participation from NHAI, Concessionaries and Financial Institutions primarily to establish organize, manage, run, conduct, contract, develop, handle, own and operate e-governance activities for Highways and Transportation sector.

- **National Electronic Toll Collection (NETC) Programme :**

Nation-wide Electronic Toll Collection (NETC) Program was launched in 2014 to implement Electronic Toll Collection (ETC) solution for National Highways in India based on RFID technology with aim to facilitate seamless movement by offering ETC services across all tolled roads in India.

Indian Highways Management Company Ltd. (IHMCL) has been mandated to implement interoperable ETC system in the country by NHAI. The major components of ETC project are ETC systems at all the toll plazas and Central Clearing House (CCH) for settlement of financial transactions between toll users and plaza operators. For setting up of toll plaza ETC systems, IHMCL was assigned to take up installation of ETC infrastructure at public funded plazas and BOT /OMT concessionaires were instructed to install themselves with the help of their own system integrators by NHAI.

IHMCL had engaged M/s Vaaan Infra Private Limited & M/s Tecsidel India Private Limited through competitive bidding process for Installation & Integration of Electronic Toll Collection (ETC) system at Public Funded Toll Plazas. For operation of Central Clearing House (CCH), ICICI and Axis banks were engaged. During the review meeting held in Ministry of Road Transport & Highways (MoRTH) in October 2015, it was decided to revise the current ETC model with new ETC model comprising of single central clearing House and multiple issuers. Accordingly, National Payments Corporation of India (NPCI) was engaged in February 2016, for implementation of ETC as single CCH and Phase-II launched from 28th November 2016 with multiple acquirer and multiple issuer with NPCI as a new CCH. Also, it was decided to give 4% from fee collected through ETC to IHMCL which would comprise 1.5% to Issuer banks, 1.25% to acquirer banks, 0.25% to NPCI and 1% to IHMCL. As on date, 420 toll plazas Live with NPCI as Central clearing house.

### **Overview of Project progress so far is as below:**

Collectively banks have issued more than 27 lakhs FASTag as on date. There has been 430% increase in the number of FASTag issued in last one year (since June 2017).

Currently, the average daily toll collection through FASTag is Rs. 15 crores (approx.)

Average daily Electronic Toll Collection (ETC) transaction count has increased from 2.4 lakhs to 6.5 lakhs i.e. 150% increase in last one year.

- Till July 2018, over 221.21 million successful transactions have been processed since December 2016, amounting to over INR 56.76 billion.



- Average ETC penetration has increased to 23.7% in the last two years.
- FASTag enabled toll plazas has increased from 359 to 409 in last one year. (June 2017 – June 2018). Currently, approx. 95% of NH Toll Plazas are covered under FASTag programme.
- Toll - free Number 1033 - 24X7 Call Centre has been set up to provide highway related assistance to National Highways commuters.

The Ministry of Road Transport & Highways has taken progressive step towards enhancing the FASTag penetration by mandating fitment of FASTag by the vehicle manufacturers on all categories M and N vehicles, manufactured or sold post 1st December 2017, vide Gazette Notification GSR 1361(E), dated 2nd November 2017. This has led to increased FASTag issuance & penetration, thereby contributing to the Government of India's mandate of promoting digital payments. Moreover, in direction to increase the penetration of FASTag vehicle at National Highways. Vide NHA circular dated 16.02.2018, Guidelines issued to all the ROs/PIUs and It was mandated to use FASTag for monthly pass at National Highway Toll Plazas.

In line with Hon'ble Prime Minister's vision of promoting cashless transaction, currently, a promotional Cashback of 5% of toll transactions for FY 2018-19 is also being offered in order to incentive the road users for usage of FASTag.

Hon'ble Minister of RT&H and Shipping had approved for upgradation of existing ETC infrastructure from single dedicated lane to Hybrid mode ETC system on all Toll lanes along the National Highways. Currently, efforts are being undertaken to implement ETC infrastructure at all toll plazas in all lanes on a mission mode.

### **Way Forward**

- As effort to give impetus to the FASTag programme, ways and means are being explored to take the FASTag programme beyond banks and make FASTag more accessible and convenient to customers.
- In order to provide facility of switching between bank of their choice by customers, necessary actions are being undertaken for customer convenience and inter-operability between banks.
- For increasing penetration and outreach of FASTag, efforts are being undertaken where Common Service Center (CSC) are increasing availability of FASTag to customers along with other partners.
- Collaboration with Oil Marketing Companies for distribution of FASTag at fuel stations across the country. OMCs have already expressed their interest for the same and meetings are underway to finalise pan India implementation of sale of FASTag through fuel station network.
- Inclusion of State Highway Toll Plazas – Meeting with identified states viz. Punjab, Rajasthan, Gujarat, M.P, UP and Maharashtra have been conducted for the inclusion of State Highways Toll Plazas under FASTag programme. Discussions and follow ups are in progress.
- One Nation One Tag – Discussions have been initiated with GSTN for the integration of FASTag with E-way Bill system. Similarly, in order to bring in efficiency in the existing logistic and supply chain system, discussion is underway for integration of FASTag with the RFID tag of DMIDC used for tracking of container moving from ports to inland
- Extension of FASTag usage beyond toll fee payment, such as purchase of fuel, payment of parking charges, etc.
- For implementation of futuristic technology, a pilot project is being conducted on Delhi-Mumbai corridor to test GPS/Satellite based technology.

- Integration of FASTag is being carried out with NIC VAHAN which will further enhance usage of FASTag at the time of registration.
- Requisite ETC infrastructure are being planned to be installed and commissioning at all pending lanes to enable commuters to zip through NH Toll Plazas. The installation of ETC hardware infrastructure is targeted to be completed within 4 months in fast track mode.
- IHMCL/NHAI has planned intensive marketing and promotional activities to raise the awareness of the FASTag programme. All the banks and NPCI have also been directed to carry out promotional activities on FASTag programme.

- **Traffic Surveys Using Portable ATCC on National Highways In India.**

The National Highways Authority of India (NHAI) is responsible for the development, maintenance and management of National Highways entrusted to it and for matters connected thereto. With an objective to assess the volume of traffic and to standardize the process of data collection and creation of central data repository on different sections of the National Highway, the National Highways Authority of India (NHAI) & Ministry of Road Transport and Highways (MoRTH) mandated IHMCL for counting traffic with the help of portable Automatic Traffic Counter & Classifier (ATCC) Systems. Accordingly, IHMCL engaged ten agencies through competitive bidding process for conducting traffic surveys on National Highways. For this purpose, the country has been divided in sixteen zones. Contract has been signed for all sixteen zones for conducting traffic surveys biannually at around 4700 locations as per requirement of NHAI/MoRTH. Five round of traffic surveys have been completed in Phase-1 and One round of survey is completed in Phase-2 on all sixteen zones. Sixth round of surveys are in progress in Phase-1 and second round of surveys are in progress in Phase-2. New control centre is also operational for validation and repository of all traffic survey data.

- **24x7 Helpline (Call Centre)-"1033" for Road Users on National Highways.**

Realizing the requirement of single emergency contact number for across National Highway stretches Ministry of Road Transport and Highways (MoRTH) had recommended to set up the toll free national helpline. Accordingly, National Highway Authority of India (NHAI) was entrusted with the mandate to set up the toll free national helpline by using a single 4 digit Toll Free Universal Access Number (UAN) i.e. "1033" vide letter No. RT-25035/11/2013-RS(Pt.), Dated 05.07.2013. Further, NHAI has given a mandate to Indian Highways Management Company Limited (IHMCL) to set up the toll free helpline for road users on national highways vide letter No. NHAI/13029/01/2013-HAM/51984, Dated 07.05.2014.

In 2015, IHMCL invited zone wise bids to set the proposed toll free helpline for national highway users. Zone wise work was awarded to two different service providers M/s Bharat BPO Services Limited & Spice Digital Limited Consortium and M/s Apollo-Samarth-Dhruv JV but because of various operational challenges proposed toll free helpline was not functional during the contract period of both above service providers.

The matter was discussed in the IHMCL Board and as approved in the 27<sup>th</sup> IHMCL board meeting held on 25.07.2017 an RFP was issued for setting up and operationalising "24x7 Helpline" (Call Centre) for Road Users on National Highways

After evaluation of bids, the LOA for setting up 1033 Helpline was awarded to M/s NSB BPO Solutions Pvt. Ltd.

1033 Helpline was formally launched by Hon'ble Minister Shri Nitin Gadkari (Union Minister for Road Transport & Highway, Shipping, and Water Resources, River Development and Ganga Rejuvenation) on 07.03.2018 and after successfully launch national highway commuters are able to call on 1033 Helpline from across India.

1033 Helpline is providing support for Emergency Calls/Accident cases, Non-Emergency (for other NH issues) and FASTag related issues. As on date, approximately 50,000 calls are being received at call center per month with a significant incremental trend. Three work shifts are running at call center to ensure 24x7 operation. All issues reported at 1033 Helpline is getting resolved with coordination with relevant stake holders like toll plaza, PIU and FASTag issuer banks with predefined SOP and issue redressal mechanism.

### Financial Results

Particulars	Amount in Rs.	Amount in Rs.
	2017-18	2016-17
Total Revenue	136,96,89,484	33,66,28,900
Total expenses excluding depreciation	102,31,14,177	23,64,60,991
Profit/(Loss) before Depreciation & Tax	<b>34,65,75,307</b>	<b>10,01,67,909</b>
Depreciation	1,61,247	75,476
Profit /(Loss) after depreciation	34,64,14,060	10,00,92,433
Prior period adjustment	NIL	37,521
Profit/(Loss) after prior period adjustment	34,64,14,060	10,00,54,912
Provision for Tax	10,11,26,656	3,42,54,453
Profit after tax	24,52,87,404	6,58,00,459

Your Directors are pleased to inform you that your company started earning operational income during the period under review and also earned small profit.

### Dividend :

The Directors recommended no dividend for the financial year ended 31st March, 2018.

### Reserves

An amount of Rs. 33,92,20,281/- has been transferred to reserves.

### Share Capital

Authorized capital of the company is Rs. 40 crores consisting of 4 crores Equity Shares of Rs.10/- each.

Paid-up capital of the company as on 31st March, 2018, stands at Rs.18,12,42,560 comprising of 1,81,24,256 equity shares of Rs. 10/- each.

### Extract of the Annual Return

The extract of Annual Return as per Section 92 (3) of Companies Act, 2013 is annexed under Annexure I.

### Meeting of the Board of Directors

04 (Four) meetings of the Board of Directors of IHMCL were held during the financial year.

Sl. No.	Particulars of the Meeting	Date of the Meeting
1.	27 <sup>th</sup> Meeting	25 <sup>th</sup> July, 2017
2.	28 <sup>th</sup> Meeting	20 <sup>th</sup> November, 2017
3.	29 <sup>th</sup> Meeting	16 <sup>th</sup> March, 2018
4.	30 <sup>th</sup> Meeting	28 <sup>th</sup> March, 2018

### Committees of the Board

#### A- Audit Committee

The Board of Directors reconstituted the Audit Committee with following Directors as Members of the Committee, Shri L.K Joshi –Chairman, Shri V.C. Verma, and Shri S.N. Kuda.

##### Composition

1. Shri L.K Joshi, Chairman of the Committee
2. Shri V.C. Verma, Member of the Committee
3. Shri S.N. Kuda, Member of the Committee

#### Meeting of the Audit Committee Meeting

02 (Two) meeting of the Audit Committee Meeting of IHMCL were held during the year

Particulars of the Meeting	Date of the Meetings
6 <sup>th</sup> Meeting	18 <sup>th</sup> July, 2017
7 <sup>th</sup> Meeting	5 <sup>th</sup> February, 2018

None of the recommendation of the Audit Committee has been refused by the Board during the financial year.

#### B- Remuneration Committee

Remuneration Committee was reconstituted by the Board of Directors with following Directors as Members, Shri L.K Joshi –Chairman, Shri V.C. Verma, and Shri S.N. Kuda.

##### Composition

1. Shri L.K Joshi, Chairman
2. Shri V.C. Verma, Member
3. Shri S.N. Kuda, Member

03 (Three) meeting of the Remuneration Committee Meeting of IHMCL were held during the year

Particulars of the Meeting	Date of the Meetings
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4th Meeting	6 <sup>th</sup> June, 2017
5th Meeting	8th September, 2017
6th meeting	16th October,2017

### Changes in the Board of Directors & Key Management Personnel

Following are the changes in the Board of Directors and Key Management Personnel during the financial year

Name of Director/KMP	Designation	Date of change	Nature of change
<b>Changes in Board of Directors</b>			
Sh. Yudhvir Singh Malik (DIN-00000555)	Director	25.07.2017	Resigned
Sh. Niraj Verma (DIN-00520742)	Director	16.03.2018	Appointed
Sh. Dinesh Chandra Agrawal (DIN: 00359519)	Director	20.11.2017	Appointed

Details of the Director attending Board Meeting is enclosed as Annexure-II

### Statement regarding declaration given by Independent Director u/s 149(7)

Your Directors confirm that Shri L.K. Joshi, Independent Director have submitted a declaration u/s 149(7) that he/she meets the criteria of independence u/s 149(6) of Companies Act, 2013.

### Auditors Report

M/s T.R. Chadha & Co. LLP Chartered Accountants, the Statutory Auditors of the Company have issued their audit report containing few qualification thereof.

### Statutory Auditors

M/s T.R. Chadha, Chartered Accountants, were appointed as Statutory Auditors of the company at the 2<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September,2014 to hold office till conclusion of 7<sup>th</sup> Annual General Meeting of the company i.e. Annual General Meeting for financial year 2018-19. M/s T.R. Chadha, Chartered Accountant, have given their consent to continue to act as Statutory Auditors of the Company. In accordance with section 139 (1), the matter shall be placed for ratification by members at the ensuring Annual General Meeting.

### Particulars of Loans, Guarantees or Investment under section 186

IHMCL has not given any loan, Guarantee or made any investment to which section 186 applies.

### Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1)

IHMCL has not entered into any contracts or arrangements as referred to in Section 188(1).

### IHMCL's Policy on Directors Appointment & Remuneration

### Directors Appointment

As per Articles of Association of IHMCL, National Highways Authority of India has right to appoint two Directors.

### Directors Remuneration

IHMCL at present does not have any whole time Director and therefore no remuneration is being paid to any Directors except sitting fee for attending the Board or Committee Meetings. The sitting fee is Rs.10,000/- per Meeting which is paid to all Directors except Directors who are in Government Service.

### Appointment & Remuneration of Key Management Personnel and other employees

Appointment of Key Managerial personnel is done based upon the provisions of Companies Act, 2013. Other senior employees are appointed depending upon the work requirements of IHMCL, commensurate qualification and experience. Remuneration of employees and Key Management Personnel who are in employment of IHMCL is fixed based upon the present market trends, qualification and experience of employee. Employees or KMPs who are NHA employees and have been deputed by NHA to IHMCL, continue to be governed by NHA terms of service and continue to draw salary and remuneration as per NHA Rules.

### Evaluation of Board's performance

Performance of each Board member is evaluated based upon attendance to Board or Committee Meetings, positive contribution in the meetings and overall strategic planning.

### **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments, if any, which affect the financial position of IHMCL which have occurred between the end of the financial year on 31.03.2018 and the date of the Board Report.

### **Development & Implementation of Risk Management Policy**

The IHMCL management keeps on identifying, evaluating and managing all significant risks faced by the Company. However, formation of Risk Management Policy is under process.

### **Development & Implementation of Corporate Social Responsibility**

As per the Section 135 of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Since the Company has achieved the mark of Net profit of rupees five Crore, the Board has constituted the Corporate Social Responsibility Committee (CSR committee) and the committee finalized to make expenditure of an amount of Rs. 9.9 lacs on account of CSR.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2018, the applicable Accounting Standards have been followed along with proper explanation to material departures;
2. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company, for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Information pursuant to Rule 8 of Companies (Accounts) Rules, 2014

### Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo :

Information pursuant to Rule 8(3) of Companies (Accounts) Rules, 2014 is as under

Particulars	Steps taken
<b>A- Conservation of energy</b>	
i. Steps taken or impact on energy conservation	Efforts are being made to conserve energy in the operations and activities of IHMCL. In fact the essence of the e tolling being implemented by IHMCL is energy conservation. By providing seamless passage at all NH toll plazas across the country, IHMCL will help in saving substantial wastage of fuel consumed by vehicles waiting at Toll Plazas.
ii. Steps taken for utilizing alternate sources of energy	Operations of IHMCL are still evolving and wherever possible alternate sources of energy shall be used.
iii. Capital investment on energy conservation equipments	NIL

<b>B- Technology Absorption</b>		
i.	Efforts made towards technology absorption	There is not much scope of technology absorption in the operations of IHMCL.
ii.	The benefits derived like product improvement, cost reduction, product development and import substitution	IHMCL is using indigenous technology and is in service sector , hence not much scope.
iii.	Details related to imported technology	Not applicable as IHMCL is not using imported technology.
iv.	Expenditure on Research & development	NIL
<b>C- Foreign Exchange earnings and outgo</b>		
i.	Actual earnings	NIL
ii.	Actual outgo	NIL

**Change in Nature of business :**

There is no change in nature of business of the IHMCL during the period under review.

**Details of Subsidiaries, Joint Ventures or Associate Companies during the year :**

IHMCL is neither a holding company nor has any subsidiary, Joint Ventures or Associate Companies.

**Internal Financial Control & Its Adequacy :**

IHMCL is having adequate internal financial control commensurate to its nature and size of business.

**Material and Significant Orders Passed By Regulators & Courts :**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

**Deposits :**

The Company has neither accepted nor renewed any deposits during the year.

**Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :**

IHMCL is an equal opportunity employer. The endeavor of the management is to create and provide an environment that is free from discrimination and harassment including sexual harassment. Formation of Internal Complaints Committee to redress complaints received regarding sexual harassment is under process.

During the period under review, no complaints were received by the Company related to sexual harassment.



**Particulars of employees pursuant to Rule 5(2) of Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014 :**

There was no employee of the company who if employed throughout the financial year, was in receipt of remuneration for that year which, in aggregate, was not less than One Crore Two Lakhs rupees or if employed for part of the financial year was in receipt of remuneration for any part of that year which , in aggregate, was not less than Eight Lakhs Fifty Thousand rupees per month. Further, there was no employee who if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of IHMCL.

**Acknowledgements:**

The Directors wish to place on record their appreciation and acknowledge with gratitude the support and cooperation extended by NHAI, NHBF, Concessionaires, Financial Institutions, NPCI, Banks, Government/Semi Government Organizations, Shareholders and Employees of the Company and looks forward their continued support in future.

**On behalf of the Board of Directors**

**Sd/-**

**(Asheesh Sharma, IAS )**

**Chairman & Managing Director**

**DIN: 02329278**

Date:28/08 /2018

Place: Delhi

## ANNEXURE I

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

- i) CIN: U74140DL2012PLC246662
- ii) Registration Date: 26<sup>th</sup> December, 2012
- iii) Name of the Company: INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED
- iv) Category/sub-category of the Company: Company Limited by shares
- v) Address of the Registered Office and Contact Details:  
NHAI HQ, Plot No. G 5 & 6, Sector-10, Dwarka-110075
- vi) Whether listed company      yes/no: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent , if any  
M/s Beetal Financial & Computer Services Pvt. Ltd., 99, Madangiri, New Delhi-110062, Tel No.-011-29961281 & E-mail id-beetalrta@gmail.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl No.	Name and Description of main products/services	NIC code of the product/ service	% to total turnover of the Company
1.	E Tolling services to on National Highways	-	90%
2.	Traffic Survey	-	10%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- IHMCL has no Holding ,Subsidiary or Associate Companies.

Sl No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
2.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

1) Category-Wise Shareholding

Category of Shareholders	No. of Shares Held at the Beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a. Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Central Govt.	NIL	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
c. State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bodies Corp	18124256	NIL	18124256	NIL	18124256	NIL	18124256	NIL	NIL
e. Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f. Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total A(1)</b>	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL
<b>(2) Foreign</b>									
<b>(3)</b>			NIL						
a. NRIS Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c. Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d. Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e. Any other			NIL						



share capital upto Rs. 1 Lakh									
2. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh									
3. Other (Specify)									
<b>Sub-Total B(2)</b>									
<b>Total Public Shareholding B=B(1)+B(2)</b>	NIL	NIL							
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Grand Total (A+B+C)	18124256	NIL	18124256	100	NIL	18124256	18124256	100	NIL

2) Shareholding of Promoters

	Shareholders Name	Shareholding at the beginning of the Year*			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	National Highway Authority of India	7500000	41.38	NIL	7500000	41.38	NIL	NIL
	Total	7500000	41.38	NIL	7500000	41.38	NIL	NIL

3) Change in Promoters' Shareholding ( no change)

S. No		Shareholding of the beginning of the year	Increase/Decrease during the year	Cumulative Shareholding During the year
-------	--	---	-----------------------------------	---

	<b>Name of the Promoters Shareholder</b>	No. of shares	% of total Shares of The company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	National Highway Authority of India	7500000	41.38	Nil	Nil	7500000	41.38
	Total	7500000	41.38	Nil	Nil	7500000	41.38

4) Shareholding pattern of **top ten shareholders** (other than Directors, Promoters and Holders of GDRs and ADRs).

S. No	Name of the Shareholder	Shareholding of the beginning of the year		Increase/Decrease during the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of The company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the Company
1	ICICI Bank Limited	1500000	8.28	Nil	Nil	1500000	8.28
2	Axis Bank Limited	1500000	8.28	Nil	Nil	1500000	8.28
3	L & T Finance Limited	1500000	8.28	Nil	Nil	1500000	8.28
4	Oriental Structure Engineers Pvt. Ltd.	555370	3.06	Nil	Nil	555370	3.06
5	Shapooraji Pallonji Roads Private Limited	555556	3.06	Nil	Nil	555556	3.06
6	IRB Infrastructure Developers Ltd	555370	3.06	Nil	Nil	555370	3.06
7	Essel Infra projects Ltd	555370	3.06	Nil	Nil	555370	3.06
8	L & T Infrastructure Development Projects Ltd	555370	3.06	Nil	Nil	555370	3.06
9	Ashoka Concession Ltd	555370	3.06	Nil	Nil	555370	3.06
10	GMR Highways Ltd	555370	3.06	Nil	Nil	555370	3.06
	Total	8387776	46.27	Nil	Nil	8387776	46.27

5) Shareholding of Directors and Key Managerial personnel

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/Decrease in shareholding during the year specifying the reasons	NIL	NIL	NIL	NIL

	for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>  1. Principal amount 2. Interest Due but not paid 3. Interest accrued but not due  <b>Total= (1+2+3)</b>	NIL	NIL	NIL	NIL
<b>Change in indebtedness during the financial year</b> • Addition • Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b> 1.Principal amount 2.Interest due but not paid 3.Interest accrued but not due  <b>Total=(1+2+3)</b>	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole time Director and/or Manager

SI No.	Particulars of Remuneration	Name of MD/WTD/MANAGER			Total Amount
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	NIL	NIL		

	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 c) Profit in lieu of Salary u/s 17(3) of the Income Tax Act, 1961					
2.	Stock Option	NIL	NIL			NIL
3.	Sweat Equity	NIL	NIL			NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL			NIL
5.	Others, please specify	NIL	NIL			NIL
	Total(A)					
	Ceiling as per act					

B. Remuneration to Director's

SI No.	Particulars of Remuneration				Name of Directors (Rs.)	Total Amount (Rs.)
	1. Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify				L.K. Joshi 1,50,000/-	1,50,000/-
	<b>Total (1)</b>	<b>Surinder Nath Kuda</b>	<b>Shiva Rajaraman</b>	<b>T.S. venkatesan</b>	<b>VC Verma</b>	<b>Total Amount</b>
	2. Other Non-Executive Directors - Fee for attending Board committee meetings - Commission - Others,	1,40,000/-	NIL	10,000/-	80,000/-	2,30,000/-



	please specify					
	<b>Total (2)</b>					2,30,000/-
	<b>Total B = (1)+(2)</b>					3,80,000/-
	Total Managerial Remuneration					<b>NIL</b>
	Overall ceiling as per Act					

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. Rohit Kumar Singh (CMD)	Gopabandu Mishra (CS)	Sanjay Kumar Patel(CFO)	Total
1.	Gross Salary a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 c) Profit in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	NIL	8,21,300/-	NIL	8,21,300/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	8,21,300/-	NIL	8,21,300/-

VII. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment /compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					

Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**ANNEXURE-II****Details of Director Attending Board Meeting**

<b>Date of Board Meeting</b>	<b>Sh. Rohit Kumar Singh</b>	<b>Sh. V.C. Verma</b>	<b>Sh. Surinder Nath Kuda</b>	<b>Sh. T.S Venkatesan</b>	<b>Sh. L.K. Joshi</b>	<b>Sh. Shiva Raja Raman</b>	<b>Sh. J.P. Singh</b>	<b>Sh. Dinesh Chandra Agrawal</b>	<b>Sh. Niraj Verma</b>
25 <sup>th</sup> July, 2017	P	P	p	P	p	L	L	NA**	NA***
20 <sup>th</sup> Nov, 2017	P	L	L	P	P	L	NA*	P	NA***
16 <sup>th</sup> March, 2018	P	P	P	L	P	P	NA*	P	P
28 <sup>th</sup> March, 2018	P	P	P	L	P	L	NA*	L	P

P- Present, L- Leave of absence

\* Resigned on 22.09.2017

\*\* Appointed on 20.11.2017

\*\*\*Appointed on 16.03.2018





## INDEPENDENT AUDITOR'S REPORT

### To the Members of Indian Highways Management Company Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Indian Highways Management Company Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and Completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP  
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28<sup>th</sup> December, 2015

**Gurugram Office :** 359, Udyog Vihar, Phase-II, Gurugram-122016 (Haryana)

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**Corporate Office :** New Delhi **Branches :** Mumbai, Pune, Ahmedabad, Hyderabad, Chennai, Bengaluru

### **Basis for Qualified Opinion**

- 1) Attention is invited to note no. 24(e) to the Financial Statement regarding reconciliation of account with National Highway Authority of India (NHAI) revealed a difference of Rs 2,988,773,648 which have been reconciled by the company. The differences are in the opinion of the management are due to non-accounting of entries in books by NHAI though subject to confirmation from NHAI. The difference may have consequential impact on balance sheet and statement of Profit & Loss. This matter was also qualified in our report on the financial statements for the year ended 31st March, 2017.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, of the state of affairs of the Company, as at March 31, 2018, and its profits and its cash flows for the year ended on that date.

### **Emphasis of Matters**

- 1) Attention is invited to note 7(b) of the Notes to financial statements that the Company has been assigned the authority to receive, in terms of Ministry of Road Transport and Highway (Morth) notification no. RW-NH-35072/1/2010-S&R(B) dated 20.09.2013. User fee for movement of overweight and over dimensional (OW/OD) consignments levied by Morth which is being deposited in Company's Bank Account. The aggregate sum of Rs. 471,854,166 received upto March 31, 2018 has been shown under "current liabilities" as "receipt on behalf of Government of India". However, no agreement/documents has been furnished to us in respect of treatment of such funds, its repayment and income generated by the Company on such fund. However, in the absence of any clarification/agreement, interest income on such funds has been considered as by the Company as its income.  
Our opinion is not qualified in respect of this matter.

### **Other Matters**

- 1) Due to insufficient number of independent director w.e.f. July 21, 2016, the constitution of the board, audit committee and nomination and remuneration committee were not in compliance with the requirement of the relevant provisions of the Companies Act, 2013.  
Our opinion is not qualified in respect of this matter.
- 2) The Company didn't have a full time managing director w.e.f. December 27, 2016 and Chief Financial Officer during the year as required under Section 203 of Companies Act 2013.  
Our opinion is not qualified in respect of this matter

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the effects of the matters described in the basis for qualified opinion paragraph above, in our opinion, the aforesaid financial statements complies with the Accounting Standards specified under Section 133 of the Act read with the rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the Basis for Qualified Opinion and other matters of attention paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualifications relating to certain matters are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 1) The Company does not have any pending litigations which would impact its financial position.
  - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Place: Gurugram**  
**Date: August 28, 2018**

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**FRN: 006711N/N500028**

*Aashish Gupta*

**Aashish Gupta**  
**Partner**  
**Membership No-097343**



## ANNEXURE A

**Indian Highways Management Company Limited**  
**Annexure to Independent Auditors' Report for the period ended March 2018**  
**(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)**

**(i) Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.
- c) According to the information and explanations given to us, there are no immovable assets held by the company, hence clause C of paragraph 3 (i) of the order is not applicable to the Company.

**(ii) Inventories**

The Company does not hold any physical inventories, hence paragraph 3 (ii) of the order is not applicable to the Company.

**(iii) Loans given**

The Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

**(iv) Compliance of Sec. 185 & 186**

The Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts compliance to provisions of section 185 & 186 of the Companies Act, 2013, therefore, paragraph 3 (iv) of the order is not applicable to the company.

**(v) Public Deposit**

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

**(vi) Cost Records**

In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, for the services provided by the company.

**(vii) Statutory Dues**

- a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including income-tax, Service tax and cess etc. There are no undisputed dues payable, outstanding as on 31st March, 2018 for a period of more than six months from the date they became payable.





- b) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax etc. that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken any loans or borrowings from any financial institutions & banks.
- (ix) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration during the year. Accordingly, clause 3 (xi) of the order is not applicable to the Company.
- (xii) As explained, the company is not a Nidhi Company. Therefore paragraph 3 (xii) of the order is not applicable to the company.
- (xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) As per the information and explanations given by the management, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore paragraph 3 (xiv) of the order is not applicable to the company.
- (xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

Place: Gurugram  
Date: August 28, 2018

For T R Chadha & Co LLP  
Chartered Accountants  
FRN: 006711N/N500028

  
Aashish Gupta  
Partner  
Membership No-097343



## ANNEXURE A

### THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are



recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**Place: Gurugram**  
**Date: August 28, 2018**

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**FRN: 006711N/N500028**

  
**Aashish Gupta**  
**Partner**  
**Membership No-097343**



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Balance Sheet as at 31st March, 2018

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	3	18,12,42,560	18,12,42,560
(b) Reserves and Surplus	4	33,80,53,717	9,29,03,748
		<b>51,92,96,277</b>	<b>27,41,46,308</b>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Provisions	5	5,86,027	3,42,976
		<b>5,86,027</b>	<b>3,42,976</b>
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6		
-Due to micro, small & medium Enterprises		-	-
-Due to others		66,88,24,090	32,01,40,646
(b) Other Current Liabilities	7	80,13,97,156	75,66,42,821
(c) Short Term Provisions	8	22,00,462	18,06,125
		<b>1,47,24,21,708</b>	<b>1,07,85,89,592</b>
<b>TOTAL</b>		<b>1,99,23,04,012</b>	<b>1,35,30,78,876</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	9		
Tangible Assets		2,99,351	2,04,875
Intangible Assets		48,800	79,273
(b) Deferred Tax Assets (Net)	10	86,081	81,440
(c) Long Term Loans & Advances	11	7,19,82,656	7,19,82,656
		<b>7,24,16,888</b>	<b>7,23,48,244</b>
<b>2. Current Assets</b>			
(a) Trade Receivables	12	1,48,06,50,142	35,04,52,783
(b) Cash & Cash Equivalents	13	18,33,98,892	10,39,67,103
(c) Short term loans & advances	14	8,139	19,071
(d) Other Current assets	15	25,58,29,951	82,62,91,675
		<b>1,91,98,87,124</b>	<b>1,28,07,30,632</b>
<b>TOTAL</b>		<b>1,99,23,04,012</b>	<b>1,35,30,78,876</b>
<b>III. Significant accounting policies</b>			
2			
<b>Notes referred to above form an integral part of financial statements</b>			
As per our report of even date attached			

For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

For and on behalf of the Board of Directors of  
Indian Highways Management Company Limited

Aashish Gupta  
(Partner)  
M. No. 097343



Asheesh Sharma  
(Chairman and Managing Director)  
(DIN:02329278)

V.C.Verma  
(Director)  
(DIN:00175162)

Place: Gurugram  
Date: 28 August 2018

Rajesh Sharma  
(Chief Financial Officer)

Gopabandhu Mishra  
(Company Secretary)

**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Statement of Profit and Loss for the year ended 31st March, 2018

(Amount in ₹)

Particulars	Note No.	FY-2017-18	FY-2016-17
I. Revenue from Operations	16	1,35,47,61,845	30,57,17,695
II. Other Income	17	1,49,27,638	3,09,11,205
<b>III. Total Revenue (I + II)</b>		<b>1,36,96,89,483</b>	<b>33,66,28,900</b>
<b>IV. Expenses</b>			
Employee benefits expense	18	84,56,802	71,04,114
Finance Costs	19	3,96,925	21,34,894
Depreciation & Amortisation Expense	9	1,03,153	75,476
Other Expenses	20	1,01,54,85,107	22,72,21,983
<b>Total Expenses</b>		<b>1,02,44,41,987</b>	<b>23,65,36,467</b>
<b>V. Profit before Prior Period Items and Tax (III-IV)</b>		<b>34,52,47,496</b>	<b>10,00,92,433</b>
VI. Prior Period Items	21	-	37,521
<b>VII. Profit before Tax (V - VI)</b>		<b>34,52,47,496</b>	<b>10,00,54,912</b>
<b>VIII. Tax Expense</b>			
(1) Current Tax		10,01,02,167	3,43,23,788
(2) Deferred Tax		(4,641)	(69,335)
<b>IX. Profit after tax (VII - VIII)</b>		<b>24,51,49,969</b>	<b>6,58,00,459</b>
X. Basic and Diluted Earnings per equity share of Rs. 10 each	22	13.53	3.64
XI. Significant accounting policies	2		

Notes referred to above form an integral part of financial statements


As per our report of even date attached


For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

For and on behalf of the Board of Directors of  
Indian Highways Management Company Limited


  
Aashish Gupta  
(Partner)  
M. No. 097343



  
Asheesh Sharma  
(Chairman and Managing Director)  
(DIN:02329278)

  
V.C. Verma  
(Director)  
(DIN:00175162)

Place: Gurugram  
Date: 28 August 2018

  
Rajesh Sharma  
(Chief Financial Officer)

  
Gopabandhu Mishra  
(Company Secretary)

**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

Reg Office: NHAI HQ, Plot G-5 & 6, Sector-10, Dwarka, New Delhi-10075

Cash Flow Statement for the year ending 31st March, 2018

(Amount in ₹)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	<b>A. Cash Flow from Operating Activities:</b>			
Net Profit before tax		34,52,47,496		10,00,54,912
<b>Adjustments for:</b>				
a) Depreciation and Amortisation Expenses	1,03,153		75,476	
b) Interest Income	(1,49,27,638)		(3,08,81,211)	
c) Provision for Employee benefit	2,45,665		2,49,276	
d) Loss on Sale/Discard of Asset	58,091			
e) Finance costs	3,96,925	(1,41,23,804)	21,34,894	(2,84,21,565)
<b>Operating Cash Profit before Working Capital Changes</b>		33,11,23,692		7,16,33,347
<b>Changes in Working Capital</b>				
a) Increase/(Decrease) in Other current liability	4,47,54,335		25,25,10,959	
b) (Increase)/Decrease in Trade Receivable	(1,13,01,97,359)		(33,59,58,338)	
c) Increase/(Decrease) in Trade Payable	34,86,83,444		8,06,73,643	
d) (Increase)/Decrease in Short-Term Loans & Advances and Other Current and	57,15,47,115	(16,52,12,465)	(82,36,76,695)	(82,64,50,431)
<b>Cash Generated/(used in) from operations</b>		16,59,11,227		(75,48,17,084)
Less: Direct taxes Paid		(9,97,10,444)		(3,25,20,948)
<b>Net Cash Flow From/(used in) Operating Activities (A)</b>		<b>6,62,00,783</b>		<b>(78,73,38,032)</b>
<b>B. Cash Flow from Investing Activities:</b>				
a) Purchase of Property, plant and equipment		(2,25,250)		(1,18,100)
b) Interest Received		1,38,53,179		3,05,48,088
c) Movement in Fixed deposits (net)		40,97,405		(18,69,450)
<b>Net Cash Flow From Investing Activities (B)</b>		<b>1,77,25,334</b>		<b>2,85,60,538</b>
<b>C. Cash Flow from Financing Activities:</b>				
a) Finance cost paid		(3,96,925)		(21,34,894)
<b>Net Cash Flow From/(used in) Financing Activities (C)</b>		<b>(3,96,925)</b>		<b>(21,34,894)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents ( A+B+C)</b>		<b>8,35,29,192</b>		<b>(76,09,12,388)</b>
Add: Balance in the beginning of year		4,98,69,698		81,07,82,086
<b>Balance at the end of year</b>		<b>13,33,98,892</b>		<b>4,98,69,698</b>
<b>Components of Cash and Cash Equivalents (Refer Note 12)</b>				
Balances with banks				
- In Current account	59,150		93,694	
- In deposit accounts with maturity of less than 3 months	13,33,39,742		4,97,76,004	
<b>Cash &amp; Cash Equivalents as per financial statements</b>		<b>13,33,98,892</b>		<b>4,98,69,698</b>

Significant accounting policies and notes to the financial statement forms an integral part of the financial statements

**Notes:**

- The above cash flow statement has been prepared under the 'Indirect method' as Setout in Accounting Standard-3 specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.
- Figures in brackets indicate cash outgo
- Previous year figures have been regrouped/rearranged wherever necessary to conform current year's presentation.

As per our report of even date

For T R Chadha & Co LLP  
(Firm Registration No. 006711N/N500028)  
Chartered Accountants

Aashish Gupta  
(Partner)  
M. No. 097343



Place: Gurugram  
Date: 29 August 2018

For and on behalf of the Board of Directors  
Indian Highways Management Company Limited

Asheesh Sharma  
(Chairman and Managing Director)  
(DIN:02329278)

V.C.Verma  
(Director)  
(DIN:00175162)

Rajesh Sharma  
(Chief Financial Officer)

Gopabandhu Mishra  
(Company Secretary)

**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

**Significant Accounting Policies and notes forming part of the Financial Statements for the year ended on March 31, 2018**

**1 Background**

Indian Highways Management Company Limited had been incorporated in the year 2012. The object of the company is to provide services pertaining to management of toll collection of National Highways through electronic toll systems; to assess the volume of traffic and to standardize the process of data collection and creating of central data repository through Traffic Surveys using portable ATCC; to provide standardized and hygienic facilities through Ways Side Amenities project; Setting up and operationalizing 24x7 Helpline (Call Centre)-"1033" for Road Users; Implementation of Toll Management System CCTV Surveillance system along with Weigh in Motion and Static Weigh Bridge which helps in regulating the government weigh enforcement policies and prevent overloading of vehicles; Develop eco friendly National Highways with participation of the community, farmers, NGOs, private sector, institutions, government agencies and the Forest Department for economic growth and development in a sustainable manner.

**2 Basis of preparation of Financial Statements**

These financial statements have been prepared and presented on a going concern basis under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

**Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**2.1 Fixed Assets and depreciation**

**a Tangible Assets**

Tangible fixed assets are carried at cost of acquisition less amount of depreciation charged on yearly basis. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

**b Intangible Assets**

Intangible asset represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

**c Depreciation**

Depreciation on fixed assets is provided pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

Type of asset	Period
Office Equipment	5 Years
Furniture & Fixture	10 Years
Computer Equipment	3 Years
Intangible Assets	5 Years

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and have useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/adjustment, as the case may be.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Intangible assets are amortised on straight-line method on pro-rata basis over a period of five years.

**2.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank and fixed deposits with an original maturity period of three months or less.

**2.3 Revenue Recognition**

**a** Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. The Revenue recognition is on the basis of specified percentage on the cost incurred by the company on the basis of utilisation of fund for various projects as per contracted terms.

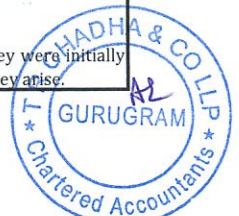
**b** Interest on deployment of surplus funds is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Other Income" in the statement of Profit and Loss.

**2.4 Foreign Currency Transactions**

**a Initial Recognition :** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

**c Exchange Differences:** Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.



#### 2.4 Tax Expenses

Income tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

#### 2.5 Employee Benefits

##### a Short Term Benefits

Employee benefits (other than post-employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

##### b Post-Employment Benefits

###### a. Gratuity - Defined Benefit plan

The liability is determined based on actuarial valuation using the Projected Unit Credit Method as at the balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

###### b. Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's salary.

###### c. Compensated Absences

The employees of the company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using project unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on the non-accumulating compensated absences is recognized in the period in which the absences occur.

#### 2.6 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

#### 2.7 Provisions, Contingent Liabilities and Contingent Assets

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have risen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

#### 2.8 Earnings Per Share

Basic earnings per equity share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the period. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during period.

#### 2.9 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognised.

#### 2.10 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investment.

Non Current investments are carried in the financial statements are valued at cost. Provision is made if there is a diminution, other than temporary, in the value of investments.

#### 2.11 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.





**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**  
CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2018

	Amount (₹)	
<b>3. SHARE CAPITAL</b>	As at 31.03.2018	As at 31.03.2017
<b>Authorized Shares</b>		
4,00,00,000 (PY - 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
	<b>40,00,00,000</b>	<b>40,00,00,000</b>
<b>Shares Issued, Subscribed &amp; Fully Paid up</b>		
1,81,24,256 Equity Shares (PY - 1,81,24,256) of ₹ 10/- each	18,12,42,560	18,12,42,560
	<b>18,12,42,560</b>	<b>18,12,42,560</b>

**3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31.03.2018	As at 31.03.2017
Number of Shares outstanding as at beginning of the year	1,81,24,256	1,81,24,256
Add: Shares issued/(redeemed) during the year	-	-
Number of Shares outstanding as at end of the year	<b>1,81,24,256</b>	<b>1,81,24,256</b>

**3.2 Rights, preferences and restrictions attaching to each class of Shares including restrictions on the distribution of dividend and the repayment of capital.**

The Company has only one type of equity shares having par value of ₹ 10 each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The equity shareholders are entitled to dividend rights according to their paid up portion of the share capital. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**3.3 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held is as given below:**

Name of Shareholder	As at 31.03.2018		As at 31.03.2017	
	No of Shares	Percentage	No of Shares	Percentage
National Highways Authority of India	75,00,000	41.38%	75,00,000	41.38%
ICICI Bank Limited	15,00,000	8.27%	15,00,000	8.27%
Axis Bank Limited	15,00,000	8.27%	15,00,000	8.27%
L & T Infrastructure Finance Company Limited	15,00,000	8.27%	15,00,000	8.27%
<b>Total</b>	<b>1,20,00,000</b>	<b>66.19%</b>	<b>1,20,00,000</b>	<b>66.19%</b>



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**  
CIN: U74140DL2012PLC246662  
Notes forming part of the Financial Statements for the year ended on March 31, 2018

(Amount in ₹)

**4. RESERVES AND SURPLUS**

**Surplus**

	As at March 31, 2018	As at March 31, 2017
Opening Balance	9,29,03,748	2,71,03,289
Add: Profit during the year	24,51,49,969	6,58,00,459
<b>Balance at the end of the year</b>	<b>33,80,53,717</b>	<b>9,29,03,748</b>

**5. LONG TERM PROVISIONS**

	As at March 31, 2018	As at March 31, 2017
Provision for Leave Encashment*	2,82,449	1,80,820
Provision for Gratuity*	3,03,578	1,62,156
	<b>5,86,027</b>	<b>3,42,976</b>

\*Refer Note 23

**6. Trade Payables**

	As at March 31, 2018	As at March 31, 2017
-Due to micro, small & medium enterprises	-	-
-Due to others	66,88,24,090	32,01,40,646
	<b>66,88,24,090</b>	<b>32,01,40,646</b>

The ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2018 and 31 March 2017.

**7. OTHER CURRENT LIABILITIES**

	As at March 31, 2018	As at March 31, 2017
a) Payable to NHAI for salary & other costs to personnel deployed by NHAI*	-	1,33,82,392
b) Receipts on account of Over Weight and Over Dimensional Vehicles**	47,18,54,166	33,92,16,166
c) Duties & Taxes Payable	4,52,07,188	1,43,76,908
d) Expenses Payable	27,00,626	16,66,661
e) Book Overdraft	3,60,221	-
f) Earnest Money Deposit	10,00,000	10,00,000
g) Others payables		
-Liability for cashback to customers	28,02,74,955	38,70,00,694
	<b>80,13,97,156</b>	<b>75,66,42,821</b>

\*Amount payable to related party (National Highways Authority of India)

\*\* In terms of MoRTH notification No. RW-NH-35072/1/2010-S&R(B) dated 20.09.2013 user fee for movement of Over Weight and Over Dimensional (OW/OD) Consignments levied by MoRTH is being deposited in IHMCL Bank A/c. The amount has been shown under current liabilities as Receipts on behalf of Government of India.

**8. SHORT TERM PROVISIONS**

	As at March 31, 2018	As at March 31, 2017
Provision for Leave Encashment*	5,459	3,054
Provision for Gratuity*	440	231
Provision for Income Tax ( Net of Advance Tax Rs 97,907,604 ( Previous Year 32,607,611))	21,94,563	18,02,840
	<b>22,00,462</b>	<b>18,06,125</b>

\*Refer note 23

**10. DEFERRED TAX ASSETS (NET)**

**Deferred Tax Liability**

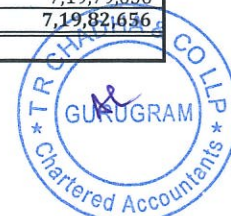
	As at March 31, 2018	As at March 31, 2017
Difference between depreciation as per Companies Act, 2013 and Income Tax Act, 1961	(15,231)	16,691

**Deferred Tax Assets**

	As at March 31, 2018	As at March 31, 2017
Disallowances of Gratuity expense & Leave Encashment	70,850	98,131
<b>Deferred Tax Asset (Net)</b>	<b>86,081</b>	<b>81,440</b>

**11. LONG TERM LOANS & ADVANCES**

	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good)		
Security Deposit	3,000	3,000
Income Tax Advances(Net of provision for tax Rs. 17,070,904 Previous Year Rs. 17,070,904)	7,19,79,656	7,19,79,656
	<b>7,19,82,656</b>	<b>7,19,82,656</b>



**Indian Highways Management Company Limited**  
CIN: U74140DL2012PLC246662  
Notes forming part of the Financial Statements

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION/AMORTIZATION				NET CARRYING AMOUNT	
	As on 01.04.2017	Addition during the year	Deletion during the year	As on 31.03.2018	As on 01.04.2017	Charge for the year	Deletion during the year	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
<b>Property, Plant and Equipments and</b>										
Furniture & Fixtures	84,750	2,15,950	-	3,00,700	8,670	26,888	-	35,558	2,65,142	76,080
Computer	51,975	-	-	51,975	34,181	16,459	-	50,640	1,335	17,794
Office Equipments	1,46,330	9,300	1,02,010	53,620	35,329	29,333	43,916	20,746	32,874	1,11,001
<b>Total</b>	<b>2,83,055</b>	<b>2,25,250</b>	<b>1,02,010</b>	<b>4,06,295</b>	<b>78,180</b>	<b>72,680</b>	<b>43,916</b>	<b>1,06,944</b>	<b>2,99,351</b>	<b>2,04,875</b>
<b>Previous year</b>	<b>1,64,955</b>	<b>1,18,100</b>	<b>-</b>	<b>2,83,055</b>	<b>33,177</b>	<b>45,003</b>	<b>-</b>	<b>78,180</b>	<b>2,04,875</b>	<b>1,31,778</b>
<b>Intangible Assets</b>										
Website	98,366	-	-	98,366	50,665	19,673	-	70,338	28,028	47,701
Computer Software	54,000	-	-	54,000	22,428	10,800	-	33,228	20,772	31,572
<b>Total</b>	<b>1,52,366</b>	<b>-</b>	<b>-</b>	<b>1,52,366</b>	<b>73,093</b>	<b>30,473</b>	<b>-</b>	<b>1,03,566</b>	<b>48,800</b>	<b>79,273</b>
<b>Previous year</b>	<b>1,52,366</b>	<b>-</b>	<b>-</b>	<b>1,52,366</b>	<b>42,620</b>	<b>30,473</b>	<b>-</b>	<b>73,093</b>	<b>79,273</b>	<b>1,09,746</b>
<b>Grand Total</b>	<b>4,35,421</b>	<b>2,25,250</b>	<b>1,02,010</b>	<b>5,58,661</b>	<b>1,51,273</b>	<b>1,03,153</b>	<b>43,916</b>	<b>2,10,510</b>	<b>3,48,151</b>	<b>2,84,148</b>
<b>Previous year</b>	<b>3,17,321</b>	<b>1,18,100</b>	<b>-</b>	<b>4,35,421</b>	<b>75,797</b>	<b>75,476</b>	<b>-</b>	<b>1,51,273</b>	<b>2,84,148</b>	<b>2,41,524</b>

Note : As per internal assessment of the company there is no asset requiring provision for impairment as on 31-03-2018 as per AS 28 on "Impairment of Assets".



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**  
**CIN: U74140DL2012PLC246662**  
**Notes forming part of the Financial Statements for the year ended on March 31, 2018**

	As at March 31, 2018	As at March 31, 2017
<b>12. TRADE RECEIVABLE</b>		
<i>(Unsecured, Considered good)</i>		
Outstanding exceeding six months from due date*	-	70,16,127
Others*	1,48,06,50,142	34,34,36,656
<i>(Unsecured, Considered doubtful)</i>		
Others	7,35,786	-
Provision for doubtful debts	(7,35,786)	-
	<b>1,48,06,50,142</b>	<b>35,04,52,783</b>
* Includes receivable from related party ₹ 1,46,54,85,957 (Previous Year ₹ 35,04,52,783).		
<b>13. CASH AND BANK BALANCES</b>	As at March 31, 2018	As at March 31, 2017
<b>a) Cash &amp; Cash Equivalents</b>		
Cash on Hand	-	-
Balances with Banks		
- in Current Accounts	59,150	93,694
- in deposit account with maturity of less than 3 months	13,33,39,742	4,97,76,004
	<b>13,33,98,892</b>	<b>4,98,69,698</b>
<b>b) Other Bank Balance (Fixed Deposits with original maturity more than 3 months but less than 12 months)</b>	5,00,00,000	5,40,97,405
	<b>18,33,98,892</b>	<b>10,39,67,103</b>
<b>14. SHORT TERM LOANS &amp; ADVANCE</b>	As at March 31, 2018	As at March 31, 2017
<i>(Unsecured, considered good)</i>		
Other Advances (Imprest)	8,139	19,071
	<b>8,139</b>	<b>19,071</b>
<b>15. OTHER CURRENT ASSETS</b>	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, Considered good</b>		
Interest Receivable on Fixed Deposits	24,89,372	14,14,913
Unbilled Revenue	82,87,890	20,25,787
Prepaid Expenses	86,740	60,917
Input Tax Credit Carried forward	5,50,262	-
Receivable from National Highways Authority of India (NHAI)*	24,44,15,687	82,27,90,058
<b>Unsecured, Considered doubtful</b>		
Service Tax Refund Due	4,30,779	-
Provision for doubtful debts	(4,30,779)	-
	<b>25,58,29,951</b>	<b>82,62,91,675</b>



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**  
**CIN: U74140DL2012PLC246662**  
**Notes forming part of the Financial Statements for the year ended on March 31, 2018**

**\* Details of amount receivable from NHAI (related Party):**

i) Funds from NHAI/Government of India- Ministry of Road Transport and Highways for Projects- ETC, Traffic Survey, Way Side Amenities, Road User Helpline & Toll Management System\*

Name of the project	Opening balance as on 01.04.2017	Fund received during the year	Funds utilised during the year	Closing balance as on 31.03.2018
i) Electronic Toll Collection	(6,15,78,085)		28,24,10,800	(34,39,88,885)
ii) Traffic Survey	(38,23,10,793)	93,07,49,230	90,31,21,762	(35,46,83,325)
iii) Way Side Amenities	1,91,26,457		4,67,93,317	(2,76,66,860)
iv) Road User Helpline	5,18,30,896		59,37,135	4,58,93,761
v) Toll Management System	(8,32,30,249)		29,61,89,133	(37,94,19,382)
vi) ETC Pool	(36,38,47,937)	3,60,00,00,000	2,43,67,15,149	79,94,36,914
vii) Citizen Centric App-You Report	(23,71,260)		40,905	(24,12,165)
viii) Time & Motion Study	(2,72,59,230)	2,75,23,506	43,97,619	(41,33,343)
<b>Total</b>	<b>(84,96,40,201)</b>	<b>4,55,82,72,736</b>	<b>3,97,56,05,820</b>	<b>(26,69,73,285)</b>
<b>Previous year figures</b>	<b>24,45,38,932</b>	<b>45,00,00,000</b>	<b>1,54,41,79,133</b>	<b>(84,96,40,201)</b>

**ii) Funds from NHAI for National Green Highways Mission\***

	2017-18	2016-17
Opening Balance	2,68,50,143	4,79,22,148
Add: Recovery of Management fee receivable against project funds	(36,55,053)	(3,56,871)
Add: Funds Received during the year for plantation activities	-	4,79,500
Less: Funds utilised during the year (B)		
- Consultancy Charges	-	69,81,512
- Travelling	5,76,866	22,92,714
- Manpower Hiring	18,242	8,61,652
- Trainees	-	2,35,548
- Seminar-Workshop	42,384	10,26,970
- Other Petty Expenses	-	3,24,537
- CSR Initiatives	-	18,13,497
- Advertisements	6,37,492	76,58,204
		2,11,94,634
<b>Closing Balance as on 31st March 2018 / 31st March 2017</b>	<b>2,25,57,598</b>	<b>2,68,50,143</b>



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2018

(Amount in ₹)

**16. REVENUE FROM OPERATIONS**

**Sale of Services**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
-Management Fee from NHAI Projects*	2,28,54,852	1,22,82,101
-Management Fee from National Green Highways Mission**	98,048	31,79,197

**Other Operating Revenue**

-Revenue from ETC Operations***	1,33,16,96,945	28,98,44,397
-Traffic Data Sharing Fees	1,12,000	4,12,000
	<b>1,35,47,61,845</b>	<b>30,57,17,695</b>

\*Management Fees @ 1.5% on cost incurred by IHMCL on NHAI Projects.

\*\*Management Fees @ 15% on cost incurred by IHMCL on National Green Highway Mission.

\*\*\*Revenue from ETC Operations @ 1% on Monthly Toll Transaction.

**17. OTHER INCOME**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Interest Income on Deposits	1,49,27,638	3,08,81,211
Miscellaneous Income	-	29,994
	<b>1,49,27,638</b>	<b>3,09,11,205</b>

**18 EMPLOYEES BENEFIT EXPENSES**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Salaries and Wages	77,32,619	65,96,533
Gratuity Expenses	1,41,631	65,402
Compensated absences	2,20,821	1,83,874
Contribution to provident fund	3,00,898	2,04,230
Staff welfare expenses	60,833	54,075
	<b>84,56,802</b>	<b>71,04,114</b>

**19. FINANCE COST**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Interest expense	3,96,925	21,34,894
	<b>3,96,925</b>	<b>21,34,894</b>

**20. OTHER EXPENSES**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Transaction Charges for Managing Central Clearing House-(ETC Project)- (Refer note 24 c)	99,68,38,540	21,59,14,207
Professional & Consultancy Charges	48,72,227	50,66,603
Manpower Hiring Expenses	59,80,577	12,89,450
Taxi Hire Charges	11,92,108	13,12,123
Travelling Expenses	14,56,711	8,39,150
Payment to Auditor		
-As Auditor	1,25,000	1,22,500
-For reimbursement of expenses	16,520	29,988
AGM Expenses	2,01,958	2,00,250
Sitting Fee to Directors	3,83,000	2,52,850
Insurance	2,31,607	85,363
Advertisement Expenses	12,88,720	-
Printing and Stationery	84,899	55,668
Loss on Discard of Fixed Asset	58,094	-
Website Hosting & Maintenance Expenses	2,00,825	1,51,303
Provision for doubtful receivables	11,66,565	-
Miscellaneous Expenses	13,87,756	19,02,528
	<b>1,01,54,85,107</b>	<b>22,72,21,983</b>

**21. PRIOR PERIOD ITEMS**

	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Professional & Consultancy Charges	-	37,521
	-	<b>37,521</b>

**22. EARNING PER SHARE**

	Current Year	Previous Year
Number of Equity Shares of ₹ 10 each fully paid up at the beginning of the year	1,81,24,256	1,81,24,256
Number of Equity Shares of ₹ 10 each fully paid issued during the year	-	-
Number of Equity Shares of ₹ 10 each fully paid up at the end of the year	1,81,24,256	1,81,24,256
Weighted Average number of Equity Shares of Rs10/- each outstanding during the year	1,81,24,256	1,80,74,736
<b>Net Earning after tax for the year (₹)</b>	<b>24,51,49,969</b>	<b>6,58,00,459</b>
<b>Earning Per Equity Share of ₹ 10 each</b>		
- Basic	13.53	3.64
- Diluted	13.53	3.64



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

**Notes forming part of the Financial Statements**

23. As per Accounting Standard 15 " Employee benefits", the disclosures as defined in the Accounting Standard are given below:

**Defined Benefit Plans:**

Valuations in respect of Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	(Amount in ₹)	
	Gratuity (Unfunded)	
	2017-18	2016-17
<b>(i) Major Assumptions</b>		
(a) Discount Rate (per annum)	7.87%	7.49%
(b) Future Salary Increase	8%	8%
(c) Rate of Return on Plan Assets	NA	NA
(d) Expected Average remaining working lives of employees in number of years	27.36	27.36
<b>(ii) Changes in the Present Value of Obligation</b>		
(a) Present Value of obligation as at beginning of the year	1,62,387	96,985
(b) Acquisition out: Liability transferred	-	-
(c) Interest Cost	12,780	7,264
(d) Past Service Cost	-	-
(e) Current Service Cost	1,62,926	92,451
(f) Benefits Paid	-	-
(g) Actuarial (Gain)/Loss	(34,075)	(34,313)
(h) Present Value of obligation as at end of the year	3,04,018	1,62,387
<b>(iii) Changes in the Fair value of Plan Assets</b>		
(a) Present Value of Plan Assets as at beginning of the year	-	-
(b) Expected Return on Plan Assets	-	-
(c) Employers' Contributions	-	-
(d) Last year's settlement	-	-
(e) Benefits Paid	-	-
(f) Actuarial gain/ (loss) on plan assets	-	-
(g) Fair Value of Plan Assets as at end of the year	-	-
<b>(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
(a) Present Value of Funded Obligation as at end of the year	-	-
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-
(d) Present Value of Unfunded Obligation as at end of the year	3,04,018	1,62,387
(e) Unrecognised Past Service Cost	-	-
(f) Unrecognised Actuarial Gains/(Losses)	-	-
(g) Unfunded Net Liability recognised in the Balance Sheet	3,04,018	1,62,387
<b>(v) Actuarial gain / (loss) recognized</b>		
a) Actuarial gain/(loss) for the year - obligation	34,075	34,313
b) Actuarial (gain)/loss for the year - plan assets	-	-
c) Total (gain)/loss for the year	(34,075)	(34,313)
d) Actuarial (gain)/loss recognized in the year	(34,075)	(34,313)
e) Unrecognized actuarial (gain)/Loss at the end of the year	-	-
<b>(vi) Amount recognised in the Balance Sheet</b>		
(a) Present Value of Obligation as at end of the year	3,04,018	1,62,387
Long Term Provisions	3,03,578	1,62,156
Short Term provisions	440	231
(b) Fair Value of Plan Assets as at end of the year	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	3,04,018	1,62,387
<b>(vii) Expenses recognised during the year</b>		
(a) Current Service Cost	1,62,926	92,451
(b) Past Service Cost	-	-
(c) Interest Cost	12,780	7,264
(d) Expected Return on Plan Assets	-	-
(e) Net actuarial (Gain)/Loss	(34,075)	(34,313)
(f) Employees' Contribution	-	-
(g) Total Expenses recognised during the year	1,41,631	65,402
(h) Expenses recognised in the Statement of Profit and Loss	1,41,631	65,402
<b>(viii) Expected Employer's Contribution for the next year</b>	-	-

**(ix) Other Disclosure**

**Gratuity ((Unfunded)**

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Present Value of Obligation at the end of the year	3,04,018	1,62,387	96,985	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-
Surplus/(Deficit)	(3,04,018)	(1,62,387)	(96,985)	-	-
Experience adjustments on plan liabilities (Gain)/Loss	-	-	-	-	-
Experience adjustments on plan assets (Gain)/Loss	-	-	-	-	-



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

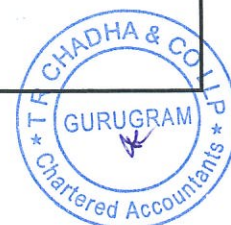
Notes forming part of the Financial Statements

**Defined Benefit Plans:**

Valuations in respect of Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following

(Amount in Rs.)

Particulars	Leave Encashment				
	2017-18	2016-17			
<b>(i) Major Assumptions</b>					
(a) Discount Rate (per annum)	7.87%	7.49%			
(b) Future Salary Increase	8%	8%			
(c) Rate of Return on Plan Assets	NA	NA			
(d) Expected Average remaining working lives of employees in number of years	27.36	27.36			
<b>(ii) Changes in the Present Value of Obligation</b>					
(a) Present Value of obligation as at beginning of the year	1,83,874	-			
(b) Acquisition out: Liability transferred	-	-			
(c) Interest Cost	14,471	-			
(d) Past Service Cost	-	-			
(e) Current Service Cost	1,16,061	1,83,874			
(f) Benefits Paid	(1,16,787)	-			
(g) Actuarial (Gain)/Loss	90,289	-			
(h) Present Value of obligation as at end of the year	2,87,908	1,83,874			
<b>(iii) Changes in the Fair value of Plan Assets</b>					
(a) Present Value of Plan Assets as at beginning of the year	-	-			
(b) Expected Return on Plan Assets	-	-			
(c) Employers' Contributions	-	-			
(d) Last year's settlement	-	-			
(e) Benefits Paid	-	-			
(f) Actuarial gain/ (loss) on plan assets	-	-			
(g) Fair Value of Plan Assets as at end of the year	-	-			
<b>(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>					
(a) Present Value of Funded Obligation as at end of the year	-	-			
(b) Fair Value of Plan Assets as at end of the year	-	-			
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-			
(d) Present Value of Unfunded Obligation as at end of the year	2,87,908	1,83,874			
(e) Unrecognised Past Service Cost	-	-			
(f) Unrecognised Actuarial Gains/(Losses)	-	-			
(g) Unfunded Net Liability recognised in the Balance Sheet	2,87,908	1,83,874			
<b>(v) Actuarial gain / (loss) recognized</b>					
a) Actuarial gain/(loss) for the year - obligation	(90,289)	-			
b) Actuarial gain/(loss) for the year - plan assets	-	-			
c) Total (gain)/loss for the year	90,289	-			
d) Actuarial (gain) /loss recognized in the year	90,289	-			
e) Unrecognized actuarial (gain)/Loss at the end of the year	-	-			
<b>(vi) Amount recognised in the Balance Sheet</b>					
(a) Present Value of Obligation as at end of the year	2,87,908	1,83,874			
Long Term Provisions	2,82,449	1,80,820			
Short Term provisions	5,459	3,054			
(b) Fair Value of Plan Assets as at end of the year	-	-			
(c) (Asset)/Liability recognised in the Balance Sheet	2,87,908	1,83,874			
<b>(vii) Expenses recognised during the year</b>					
(a) Current Service Cost	1,16,061	1,83,874			
(b) Past Service Cost	-	-			
(c) Interest Cost	14,471	-			
(d) Expected Return on Plan Assets	-	-			
(e) Net actuarial (Gain)/Loss	(90,289)	-			
(f) Employees' Contribution	-	-			
(g) Total Expenses recognised during the year	2,20,821	1,83,874			
Less: Amount apportioned to a group	-	-			
(h) Expenses recognised in the Statement of Profit and Loss	2,20,821	1,83,874			
<b>(viii) Expected Employer's Contribution for the next year</b>	-	-			
<b>(ix) Other Disclosure</b>					
<b>Gratuity ((Unfunded)</b>					
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
Present Value of Obligation at the end of the year	2,87,908	1,83,874	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-
Surplus/(Deficit)	(2,87,908)	(1,83,874)	-	-	-
Experience adjustments on plan liabilities (Gain)/Loss	-	-	-	-	-
Experience adjustments on plan assets (Gain)/Loss	-	-	-	-	-





INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2018

**24 Other Notes**

- a The company has received ₹ 6,15,83,58,255 till 31.03.2018 from NHAI and Government of India- Ministry of Road Transport and Highways (MoRTH) for execution of Nine projects namely Traffic survey, Electronic Toll Collection, Toll Management System, Time & Motion Study, Road User Helpline, Wayside Amenities, Citizen Centric - You Report, Green Highways Mission and ETC Pool (Cash Back). Against the funds received, the company had utilized sum of ₹ 4,28,87,08,104 till 31.03.2018 for implementing these projects including purchase of Electronic Toll Collection (ETC) and other project expenses through contractors on behalf of NHAI/ Government of India- Ministry of Road Transport and Highways. The invoices for ETC equipments and other project expenses are in the name of the company. However, in accordance with the understanding between NHAI and company, ETC equipments are not the assets of the company and have, therefore not been recorded in the books of company.
- b Management fee @1.5% on the cost incurred by IHMCL on ETC, Traffic Survey projects, Road User Helpline, Way Side Amenities, Toll Management System, Time & Motion Study, Citizen Centric - You Report (on behalf of NHAI), has been accounted for in the books of IHMCL on the basis of the minutes of the meeting held on 26.03.2015 in the Ministry of Road Transport & Highways (MoRTH). In respect of Green Highways Project, management fees @ 15% have been accounted for as per board meeting held on 17.12.2015 in NHAI.
- c Revenue from Electronic toll collection (ETC Operations) @ 4% of the fee collected electronically for managing the National ETC program has been accounted in the books of accounts of IHMCL on the basis of office Memorandum issued by MoRTH vide ref no. H-25011/1/2015 dated 16.02.2016. The company is paying 1.50% of the fee collected electronically to Issuer Banks, 1.25% of the fee to Acquirer Banks and 0.25% of the fee collected electronically to National Payment Corporation of India (NPCI) as a fee for their services as collectors of the fee electronically.
- d In the process of Implementation of Electronic Toll Collection, Ministry of Road Transport and Highways (MoRTH) issued an Office Memo dated 16.02.2016 indicating NHAI's proposal to give 10% discount (cash back) to toll road users on electronically paid fee for financial year 2016-17, 7.5% for 2017-18, 5% for 2018-19, 2.5% for 2019-20 and no discount from 2020-2021 onwards. During FY 2017-18, total of ₹ 2,43,67,15,149 has been adjusted from project advance received from NHAI as cash back to toll road user.
- e As per the books of account of the company, a total sum of ₹ 1,70,99,01,644 ( Under Trade Receivables Rs. 1,465,485,957 and Other Receivables Rs. 244,415,687 ) is receivable from National Highways Authority of India (NHAI) as on 31.03.2018. But as per the confirmation received from NHAI a sum of ₹ 1,27,88,72,005 (excluding amount of equity share capital included in confirmation) is outstanding as receivable from the company, resulting in a gross difference of ₹ 2,98,87,73,649. The reconciliation differences are mainly due to non - passing of entries in NHAI books of account for which the company is following up with NHAI for necessary action. In the opinion of the management, the amount is recoverable from NHAI and no dispute of any nature has been filed by the NHAI to the Company. The reconciliation is an on going process and necessary entries will be passed by NHAI. There are no pending entries to be passed by the company as a result of reconciliation.
- f The company has accounted for revenue from ETC operations amounted to ₹ 1,33,16,96,945 (excluding service tax / Goods & Service Tax) during FY 2017-18 against which invoices for ₹ 1,30,21,08,361 (excluding service tax / Goods & Service Tax) had only been raised on NHAI and Rs 2,95,88,584 (excluding service tax / Goods & Service Tax) has been raised to MHAISKAR Infrastructure Private Limited and Madhya Pradesh Road Development Corporation.
- g The company has availed and utilized Cenvat credit / Input Tax Credit of CGST, SGST and IGST of ₹ 14,57,31,733 on transaction charges paid for managing central clearing house for Electronic Toll Collection (ETC) Project during FY 2017-18, out of which an amount of Rs 5,50,262 is unutilized to be utilized while filing GSTR-9 (Annual GST return of F.Y 2017-18).
- h Balances of the certain parties are subject to confirmation/reconciliation. In the opinion of management current assets, non-current assets, loans and advances and trade receivables have an approximate realizable value equal to amount stated in the Financial Statements, unless otherwise stated. The provision for all liabilities is adequate and not in excess of the amount reasonably necessary.
- i Based on the information available with the Company, there are no dues as at March 31, 2018 payable to enterprises covered under "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid/payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**j Contingent Liability**

There is no contingent liability as on March 31, 2018.



**INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED**

CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2018

**25 RELATED PARTY DISCLOSURE (As per AS-18)**

**A. Related parties and transactions with them as identified by the management are given below:**

**Parties which exercise/ can exercise significant influence over the company**

National Highway Authority of India

**Key Managerial Personnel (KMP)**

Mr. Rohit Kumar Singh, IAS (Chairman and Managing Director)

Mr. S. K. Patel - Chief Financial Officer (ceased to be the CFO on 29.05.2018)

Mr. Rajesh Sharma - Chief Financial Officer (Appointed as CFO on 29.05.2018)

Mr. Gopabandhu Mishra - Company Secretary

**Directors of the Company**

Mr. V.C. Verma

Mr. Surinder Kuda

Mr. T.S. Venkatesan

Mr. Shiva Rajaraman

Mr. Lalit Kumar Joshi, IAS (Retd.)

Mr. Niraj Verma, IAS

Mr. Dineshchandra Agrawal

Mr. R.C. Palekar (ceased to be CEO on 27.12.2016)

**B. Transactions and Outstanding Balances with Related Parties in the ordinary course of business.**

Transaction With National Highways Authority of India	(Amount in ₹)	
	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
Management Fee	2,29,52,900	1,54,61,298
Electronic toll collection	1,30,21,08,295	28,98,44,397
Fund received	4,95,55,57,354	45,04,79,500
<b>Balance outstanding as at year end</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Trade Receivable	1,46,54,85,957	35,04,52,783
Other Receivable	24,44,15,687	82,27,90,058
Other Payable	-	1,33,82,392

Transactions with KMP	(Amount in ₹)	
	For The Year Ended March 31, 2018	For The Year Ended March 31, 2017
<b>Remuneration</b>		
Mr R. C. Palekar	-	17,95,793
Mr. Gopabandhu Mishra	8,21,300	7,12,600
<b>Balance outstanding as at year end</b>		
Mr. Gopabandhu Mishra	73,300	53,850

**26 Segment information (AS-17)**

In the opinion of the management, the company is in operation is to provide services to National Highways Authority of India in implementation of various projects and operating in India, therefore there is one reporting segment. Accordingly, no disclosure for segment reporting has been made in the financial statements as specified in Companies (Accounts) Rules, 2014.

**27** In the opinion of the Board, Current Assets and Loans and advances are of the value stated if realized in ordinary course of business and provision for liabilities are adequate.



INDIAN HIGHWAYS MANAGEMENT COMPANY LIMITED

CIN: U74140DL2012PLC246662

Notes forming part of the Financial Statements for the year ended on March 31, 2018

- 28 As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expense required to be made by company are as under:-

Particulars	2017-18	2016-17
Amount required to be spent during the year	9,89,995	-
Shortfall amount	9,89,995	-

The company is required to spent Rs. 9,89,995 on CSR activites during the current year out of which company did not spend any amount on CSR expenses during current financial year.

- 29 There are no foreign currency transactions undertaken by the company during current and previous financial year
- 30 Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's


For T R Chadha & Co LLP  
Chartered Accountants  
(Firm Registration No. 006711N/N500028)

For and on behalf of the Board of Directors of  
Indian Highways Management Company Limited


  
Aashish Gupta  
(Partner)  
M. No. 097343




Place : Gurugram  
Date: 28 August 2018

  
Asheesh Sharma  
(Chairman and Managing Director)  
(DIN:02329278)

  
V.C.Verma  
(Director)  
(DIN:00175162)

  
Rajesh Sharma  
(Chief Financial Officer)

  
Gopabandhu Mishra  
(Company Secretary)